

NLWJC - Kagan

DPC - Box 006 - Folder 014

Campaign Finance Reform - Notes

▶ Paul J. Weinstein Jr.
08/17/98 03:59:07 PM
.....

Record Type: Record

To: Michael Waldman/WHO/EOP, Peter G. Jacoby/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: Campaign Finance Reform

Several of us met last Friday and agreed on the following next steps to help push for Senate action on McCain-Feingold/Shays-Meehan.

1. A strong letter to the Majority and Minority Leaders in the Senate calling on them to bring the bill back to floor and pass it. One issue is timing. Do we do it on the first day back from recess at the end of August? Should there be some kind of event tied to it?
2. Call to the groups to get them to get editorials in NY Times and Wash. Post, etc. calling on the Senate to act.
3. Target the following key Senators on this vote, including editorials in their home states and outreach to groups.

Most likely possibilities: D'Amato (NY)
Brownback (KS)
Bond (MO)
Nighthorse-Campbell (CO)

Other possibilities: Smith (OR)
Frist (TENN)
Abraham (MICH)
Warner (VA)
Grassley (IA)
Kyl (AZ)
Lugar (IN)
Domenici (NM)
Hagel (NEB)
De Wine (OH)
Coats (IN)
Hutchinson (ARK)

Message Copied To:

Michelle Crisci/WHO/EOP
Morley A. Winograd/OVP @ OVP
Elena Kagan/OPD/EOP
Jim Kohlenberger/OVP @ OVP
Charles W. Burson/OVP @ OVP

▶ Paul J. Weinstein Jr.
05/18/98 03:39:48 PM
.....

Record Type: Record

To: Peter G. Jacoby/WHO/EOP, Peter D. Greenberger/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: My suggested rewrite of Shays & Meehan bill

Below is Waldman's rewrite of my earlier letter. I think that the changes should take care of the concerns Bill Marshall raised earlier. Peter and Peter, can you push through clearance?

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 05/18/98 03:37 PM -----

 Michael Waldman
05/18/98 03:33:36 PM

Record Type: Record

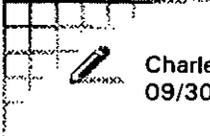
To: Paul J. Weinstein Jr./OPD/EOP
cc: Michelle Crisci/WHO/EOP, Peter G. Jacoby/WHO/EOP
Subject: My suggested rewrite of Shays & Meehan bill

Later this week the House of Representatives will have an historic opportunity to strengthen our democracy when it considers campaign finance reform legislation. I am asking for your support for the bipartisan campaign finance reform legislation offered by Reps. Christopher Shays and Marty Meehan. Of all the bills being considered, only Shays-Meehan meets the test of real, comprehensive, bipartisan reform. It would ban unregulated "soft money" raised by both parties, address backdoor campaign spending by outside organizations, and strengthen public disclosure. This bipartisan measure is the best chance in years to reduce the role of special interests, give voters a louder voice, and treat fairly incumbents and challengers of both parties.

On the issue of campaign finance, many proposals will inevitably be offered. But this much is clear: only one proposal is truly bipartisan and truly promotes reform. Only a vote for Shays-Meehan is a vote to enact real campaign finance reform this year.

Talk about reform is easy; this week, the House of Representatives has a rare and fleeting opportunity to act. Each and every member of the House must decide whether to take that step -- and the American people are watching. I urge you to make this year the year that Congress confounds public cynicism, and passes bipartisan, comprehensive campaign finance reform.

camp finance -
works + names

 Charles Konigsberg
09/30/97 03:07:43 PM

Record Type: Record

To: Charles Konigsberg/OMB/EOP
cc: See the distribution list at the bottom of this message
Subject: Re: URGENT: CAMPAIGN FINANCE SAP 

Final campaign finance SAP -- transmitted at 2:30pm today:

September 30, 1997
(Senate)

S. 25 [as modified] -The Bipartisan Campaign Reform Act of 1997
(McCain (R) Arizona and Feingold (D) Wisconsin)

The Administration strongly supports Senate passage of S. 25, as modified by Senators McCain and Feingold, for the reasons explained in the attached letter from the President dated September 23, 1997.

This bipartisan legislation includes many proposals that have been endorsed by the President since 1992. It will put an end to the "soft money" system, increase disclosure of independent expenditures, and enforce strict prohibitions on contributions from foreign nationals. S. 25 will open the political process and shift power from special interests to ordinary citizens.

S. 25 addresses many of the most pressing needs for reform. While the legislation does not include all the elements of reform the Administration believes are needed, such as voluntary spending limits, restrictions on Political Action Committee (PAC) contributions, and free and discounted broadcast time, the Administration considers S.25 to be an important first step and believes it represents the best opportunity to enact meaningful reform in this Congress.

The Administration strongly opposes any amendments which would undermine campaign finance reform by making this legislation unacceptable to many Members of Congress and to the Administration. For example, pending amendments which would impair the rights of American workers to advocate public policies through organized labor activities, are unacceptable.

* * * * *

The Administration strongly supports Senate passage of S. 25, as modified by Senators McCain and Feingold, for the reasons explained in the attached letter from the President dated September 23, 1997.

This bipartisan legislation includes many proposals that have been endorsed by the President since 1992. It will put an end to the "soft money" system, increase disclosure of independent expenditures, and enforce strict prohibitions on contributions from foreign nationals. S. 25 will open the political process and shift power from special interests to ordinary citizens.

S. 25 addresses many of the most pressing needs for reform. While the legislation does not include all the elements of reform that the Administration believes are needed, such as voluntary spending limits, restrictions on Political Action Committee (PAC) contributions, and free and discounted broadcast time, the Administration considers S.25 to be an important first step and believes it represents the best opportunity to enact meaningful reform in this Congress.

* * * * *

September 23, 1997

Dear Mr. Leader:

Senators McCain and Feingold have pledged to bring their campaign reform legislation to a vote. When that happens, the American people will be watching. I encourage you to act responsibly and support passage of this long-overdue, bipartisan legislation.

This measure is of the utmost importance, and it deserves full consideration on the Senate floor. If any attempt is made to bring this bill up in a manner that would preclude sufficient time for debate, I will call on Congress to stay in session until all of the critical elements are fully considered.

There is a real need for reform. The amount raised by both political parties is doubling every four years. And as candidates are forced to spend ever greater amounts of time raising ever larger amounts of money, the people's business suffers. We have an obligation to restore the public trust.

The bipartisan measure that Senators McCain and Feingold intend to bring to the floor is balanced and effective. It addresses many of the most pressing needs for reform. It does not include every reform that I believe necessary. But it is an important first step --and it represents the only real opportunity to enact meaningful reform in this Congress. Any attempts to attach amendments that would make it unpalatable to one party or another are nothing less than attempts to defeat campaign finance reform. And a vote to filibuster this measure is nothing short of a vote to maintain the system that favors special interests over the public good. For years, the special interests and their allies have filibustered reform. But this year, the

American people will hold accountable those who vote to maintain the status quo.

Despite formidable odds, the Congress faces the best opportunity in a generation to enact campaign finance reform. Let us work together in a bipartisan spirit, as we have throughout this legislative session, to thwart special interests who seek to smother reform and deny the will of the people. I urge you to support the bipartisan efforts embodied in the McCain-Feingold proposal, permit the Senate to debate their bill, and vote to enact these needed changes to our political system.

Sincerely,
(signed: Bill Clinton)

camp finance -
notes + memos

--

**** The following is a broad outline -- provided by Senators McCain and Feingold --
of the revised package ****

MCCAIN/FEINGOLD -- PART I

The Base Package

Banning Soft Money. All soft money contributions to the national political parties from corporations, labor unions and wealthy individuals would be prohibited.

Independent Expenditures. Modifies statutory definition of "express advocacy" to provide a clear distinction between expenditures for communications used to advocate candidates and those used to advocate issues. Candidate-related expenditures will be subject to federal election law.

Greater Disclosure. Requires more timely and expanded disclosure of campaign contributions and expenditures, strengthens penalties for election law violations and provides the FEC with stronger tools for enforcing current and new campaign finance laws.

Strict Codification of the "Beck" Decision. Requires labor unions to notify non-union members that they are entitled to request a refund of the portion of their agency fees used for political purposes.

Wealthy Candidates. Bars the political parties from making "coordinated expenditures" on behalf of Senate candidates who do not agree to limit their personal wealth spending to \$50,000 per election.

MCCAIN-FEINGOLD -- PART II

The Challenger Amendment

Leveling the Playing Field. Creates a voluntary system that provides Senate candidates with a 50% discount on television costs if they agree to raise a majority of their campaign funds from their home states, to accept no more than 25% of their campaign funds in aggregate PAC contributions and to limit their personal spending to \$50,000 per election.

Message Sent To:

Rahm I. Emanuel/WHO/EOP@EOP
Gene B. Sperling/OPD/EOP@EOP
Bruce N. Reed/OPD/EOP@EOP
Elena Kagan/OPD/EOP@EOP
Peter G. Jacoby/WHO/EOP@EOP
Charles F. Ruff/WHO/EOP@EOP
Jason S. Goldberg/WHO/EOP@EOP
Tracey E. Thornton/WHO/EOP@EOP

Campaign finance -
notes + memos



Paul J. Weinstein Jr.

08/06/97 07:53:19 PM

Record Type: Record

To: Michael Waldman/WHO/EOP, Peter G. Jacoby/WHO/EOP, William P. Marshall/WHO/EOP
cc: Laura K. Capps/WHO/EOP, Michelle Crisci/WHO/EOP, Elena Kagan/OPD/EOP
Subject: Draft Response to City Council of Cincinnati Resolution 134-1997

Below is a draft response to the petition of the City Council of Cincinnati. I would like to give Rahm a copy of this by the end of this week. Please give me your comments by COB Thursday. Bill, could you check with Justice to make certain this is OK with them. Maybe they would be willing to say something stronger about the Kruse Case.

I am writing to to commend the City Council of Cincinnati for your continuing efforts on behalf of campaign finance reform. I support the Council's efforts to place controls on campaign expenditures because I believe that true reform requires real limits on both campaign fundraising and spending.

As you know, I have directed the Justice Department to identify a case through which to challenge the campaign spending limits previously stricken down by the U.S. Court in the case of *Buckley v. Valeo*. The Department is still in the process of reviewing potential test cases, including *Kruse, et. al. v. The City of Cincinnati*. Based on the dramatic increases in campaign spending that could not have been foreseen when the for the Court first addressed spending limits, I believe the time has come for the Court to reconsider its decision in *Buckley v. Valeo* and allow mandatory spending limits.

Through the efforts of the City Council of Cincinnati, I believe we have a historic opportunity to make our campaign finance system work for the American people.

Again, thank you for your efforts in support of campaign finance reform.

Sincerely,

William Jefferson Clinton

August 1, 1997

MEETING WITH SENATORS McCAIN(R-AZ) AND FEINGOLD (D-WI) THE LEAD
SENATE SPONSORS OF BIPARTISAN
CAMPAIGN FINANCE REFORM LEGISLATION

DATE: August 1, 1997
LOCATION: Oval Office
TIME: 9:45 a.m. to 10:15 a.m.
From: John Hilley
Peter Jacoby

I. PURPOSE

To conduct a working session with Senators McCain and Feingold to discuss the legislative, political and public relations strategies that will be necessary to enact comprehensive campaign finance reform legislation.

II. BACKGROUND

This past Wednesday, Senators McCain and Feingold announced on the Senate floor that they are committed to bringing campaign finance reform legislation to the floor in September. Subsequently, the Senators requested this meeting to discuss and coordinate the strategy for passing their legislation when it is considered. The two key issues for discussion will be: 1) how can the Administration best work with the Senators to gain support for their bill; and, 2) what changes to the legislation will be necessary (and acceptable to you) for the measure to pass the Senate.

Early this year you met with Senators McCain and Feingold [and Congressmen Shays (R-CT) and Meehan(D-MA)] and committed your Administration to a serious effort to enact comprehensive campaign finance reform legislation. Since that time you have announced a series of initiatives designed both to advance substantive campaign finance reforms and to focus attention on the need for legislation. Those initiatives include petitioning the Federal Elections Commission to conduct a rulemaking proceeding that would ban or limit soft money; announcing your support for free television for political candidates; announcing the co-chairs of a Presidential commission tasked to study the public interest requirements for the broadcasters that receive digital spectrum; announcing

that the Solicitor General will argue in favor of court challenges to the Buckley v. Valeo decision when, and if, those challenges are considered by the Supreme Court; and naming former Senators Kassebaum-Baker and Mondale to lead an effort to develop support for reform. Finally, during their floor announcement earlier this week, Senators McCain and Feingold read a Presidential statement supporting their efforts to bring the bill to the floor in September.

While these Administration initiatives have helped demonstrate your support for campaign finance reform, they - and the efforts by outside groups to build support - have not resulted in the addition of enough Republican cosponsors to the McCain-Feingold bill to ensure Senate passage of the measure. In fact, since January, only Senator Collins (R-ME) has joined as a Republican cosponsor of the legislation.

Consequently, the Senators will ask for a strong commitment of White House resources during the weeks leading up to the bill's floor consideration in September. Additionally, because there has been so little support from Senate Republicans, Senator McCain will indicate that he believes the comprehensive McCain-Feingold bill¹, which includes public benefits such as free and reduced rate television for a candidate who accepts spending limits, should be scaled back to gain Republican votes.

The scaled back bill that Senator McCain envisions would include: 1) a ban on soft money; 2) provisions that would require greater and more timely disclosure of contributions; 3) provisions to enhance the FEC's enforcement capabilities; 4) provisions to restrict issue advocacy expenditures designed to influence elections; and, 5) the codification of the Supreme Court's decision in the Beck case. That case held that non-union employees in closed shops were entitled to a refund on the portion of their union dues spent on political activities.

¹ The current McCain-Feingold bill would: 1) ban PAC's - with lower PAC limits if the ban is found unconstitutional; 2) provide incentives (such as free and reduced rate television and radio time and low cost mailing) for candidates who voluntarily agree to aggregate campaign spending limits; 3) ban political contributions from individuals who are ineligible to vote; 4) ban soft money; 5) make it extremely difficult for political parties to run either independent expenditure ads or express advocacy ads on behalf of their candidates for federal office; 6) restrict express advocacy spending aimed as influencing elections; 7) ban bundling of campaign contributions, and; 8) improve FEC enforcement capabilities.

Notably, Senator McCain's incremental bill does not include spending limits - a key reform supported by Senator Daschle and great majority of Senate Democrats. In addition, the Beck provisions, which many Republicans have said should be codified to require all union members to affirmatively approve the use of their dues for political activities, are strongly opposed by Congressional Democrats. For these reasons, Senator Feingold has strongly resisted attempts to scale back the current legislation. /

III. PARTICIPANTS

Senator McCain (R-AZ)
Senator Feingold (D-WI)
Rahm Emanuel
John Hilley

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

You will make brief opening remarks and conduct the meeting.

VI. REMARKS

Talking points are attached.

TALKING POINTS FOR MEETING WITH SENATORS McCAIN AND FEINGOLD

- Thank you for your considerable efforts on this critical issue. Your leadership on one of the most difficult issues in Washington is greatly admired and appreciated.
- When we met last winter I promised to work closely with you on this issue to do what I could to move reform along. As you know, I have announced a number of initiatives during the past months to do just that -- the effort by Senators Mondale and Kassebaum-Baker, the FEC petition on soft money, my efforts on free television time for candidates and the announcement that the Solicitor General would join in on any challenge to Buckley v. Valeo.
- I can assure you that I remain fully committed to seeing meaningful, significant campaign finance reform become a reality during this Congress and I want to do everything I can to make that happen.
- Now that we have all agreed and announced that this is coming to the Senate floor in September, I want to discuss how you think we should approach this effort and what I can do to make all of our work result in good, strong campaign finance reform legislation.

CFR - talking points

Draft 2 (March 6: 4:00 pm)

Draft 2 (March 6: 4:00 pm)

FACT SHEET
President Clinton's Radio Address On Campaign Finance Reform
March 8, 1997

In today's radio address, the President announced that he is directing his Administration (the Justice Department) to petition the Federal Election Commission (FEC) to issue new, tighter rules regarding the solicitation and acceptance of "soft money" by candidates and parties. The petition proposes to end the current soft money system by requiring that candidates for federal office and national parties only be permitted to raise and spend "hard money" -- funds subject to the restrictions, contribution limits, and reporting requirements of the 1974 Federal Election Campaign Act (FECA).

A Commitment To Ending Business As Usual: Banning Soft Money

Time and again, President Clinton has exhibited his commitment to curbing the influence of special interests and money in our political system. Since 1992, the President has consistently called for a ban on soft money in federal elections:

- **1992:** In *Putting People First*, the President proposed to "end the unlimited soft money contributions that are funneled through national, state and local parties to presidential candidates."
- **1993:** The President submitted to Congress comprehensive campaign finance reform legislation that included a ban on soft money. A version of the bill passed both the Senate and the House of Representatives but conferees failed to reach agreement on a final version of the legislation. (Michael, is this correct?)
- **1996:** In the 1996 State of the Union, the President announced his support of the bipartisan McCain-Feingold reform legislation which includes a ban on soft money in federal elections. He repeated his call for passage of this bipartisan bill in his 1997 State of the Union.
- **1997:** The President challenged the Republican Party to join with the Democratic Party to stop accepting soft money contributions prior to passage of bipartisan campaign finance reform legislation.

Background

Federal law requires that expenditures incurred for the purpose of influencing a federal election must be paid for with funds subject to the limits of FECA; that is with so-called "hard money." For many years the FEC struggled with defining the scope of this requirement. In particular, the FEC debated how to treat political party expenditures that have an apparent mixed purpose -- in that they support both federal and state candidates.

After some delay, and in the wake of protracted litigation that eventually resulted in a federal court order, the FEC issued regulations in 1990 establishing a system for allocating party committee expenditures between federal and non-federal purposes. Some criticized those

regulations on the ground that parties would find ways to get around an allocation system in order to use soft money in federal elections. Others believed the rules accurately reflected the dual purpose of many party committee expenditures for generic party activities in support of both federal and non-federal candidates.

It has now become abundantly clear that the FEC regulations governing the use of soft money are not working. Both major party committees and their state affiliates have come to rely to an alarming extent on the use of soft money in their national elections. Large contributions well in excess of \$100,000 from individuals, corporations, and labor unions, have become common today as both political parties struggle to gain a competitive advantage. It is well past time for the FEC to reassess this matter and issue new regulations governing the use of soft money to influence federal elections.

Next week the President and the Vice President will send a formal petition to the FEC asking it to consider new regulations that will ban the use of soft money to influence federal elections. The allocation system in use today must be thrown out and replaced by new rules that recognize the reality of modern political campaigns.

Contents of the Petition

The President's petition asks the FEC to take the following three actions regarding the solicitation and disbursement of soft money:

- Prohibit national political parties (and their congressional campaign committees or agents) from soliciting or receiving any funds not subject to the limitations or prohibitions of FECA.
- Prohibit any federal officeholder or candidate (and their agents) from soliciting or receiving any funds not subject to the limitations or prohibitions of FECA.
- Provide that any amount of funds expended by a state party during a federal election year for any activity that might affect a federal election (including a get-out-the-vote drive, generic advertising or any communication that mentions a federal candidate) must be paid for from funds subject to FECA.

Campaign Finance -

Need to talk publicly about
incentives - free TV etc.
Enhancement scheme

John - 5 principles

Substantive - need more than STs - next level of specificity:

- 1. Foreign piece "No ~~more~~ money"
 - 2. No soft \$
 - 3. Full disclosure - (anything left tech/earlier?) indep ads
 - 4. ~~Strengthen~~ ^{Strengthen} FEC enforcement
 - 5. Encouraging ^{citizen} ~~small~~ ^{participate} small donors ?? ~~content~~ ??
 - 6. Incentives to free Auth -
 - 7. Restrictions on lobbying (Daschle provision)
 - 8. Control campaign costs - bringing campaign spending under control
 - 9. Close loopholes on special interest campaign spending
 - 10. Apply disclosure + limits to parties spending
11. Limit the influence of PACs

Go through bill - add real substance - provisions - fill in policies

examples under each -
Paul/Peter

*